LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

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FISCAL IMPACT STATEMENT

LS 7173 NOTE PREPARED: Jan 8, 2013

BILL NUMBER: SB 605 BILL AMENDED:

SUBJECT: Wage Assignments.

FIRST AUTHOR: Sen. Schneider BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL IMPACT: State & Local

 $\begin{array}{cc} \underline{X} & DEDICATED \\ \underline{X} & FEDERAL \end{array}$

<u>Summary of Legislation:</u> The bill provides that a state employee may not make a wage assignment for the purpose of making a contribution or payment to be used for political activities. It provides that a school employee may not make a wage assignment for the purpose of paying dues to a school employee organization.

The bill also removes provisions that allow an employee to make a wage assignment to pay dues to a labor organization to which the employee belongs or to make payments to an association of employees of the employee's employer.

Effective Date: July 1, 2013.

<u>Explanation of State Expenditures:</u> The bill will likely have no fiscal impact on the state. The removal of wage assignments on the Auditor payroll system may be done with current resources. As of December 12, 2012, a total of 1,831 state employees made wage assignments to labor organizations.

Explanation of State Revenues:

Explanation of Local Expenditures: The removal of wage assignments by local payroll departments should have no fiscal impact. The removal should be able to be done with current resources.

<u>Background:</u> Dues to school employee organizations average between \$400 to \$700 per year. The state's largest school employee organization, the Indiana State Teachers Association, has roughly 50,000 members.

SB 605+

Explanation of Local Revenues:

State Agencies Affected: Auditor of State.

Local Agencies Affected: All.

<u>Information Sources:</u> Brent Plunkett, Auditor of State, <u>bplunkett@auditors.in.gov.</u>

Fiscal Analyst: Stephanie Wells, 232-9866.

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